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Chairman
Regina

Honourable Graham Taylor
Minister-in-Charge
Vice-Chairman

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Mr. Eli Fluter
Regina

Mrs. Bonnie L. George
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Mr. James N. Goring
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Weyburn

Mr. Donald R. Leier
Saskatoon

Mr. D.A.K. Maclean, Q.C.
Regina

Mr. George F. Shaw
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Mr. Ed Sulewski
Paddockwood

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Alan Cockman
Vice-President
Systems

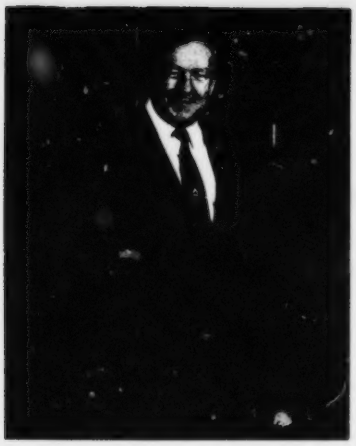
Larry Fogg
Vice-President
Claims

Grant Gibson
Vice-President
Motor Vehicle
Division

L. Jill Hilsden
Vice-President
Finance

Doug Kopp
Vice-President
Human Resources
and Corporate
Relations

Bob Warren
Vice-President
Underwriting
Operations



LETTER OF TRANSMITTAL

Regina, Saskatchewan
March, 1989

To Her Honour,
The Honourable Sylvia Fedoruk,
Lieutenant-Governor of the Province of Saskatchewan

Madam:

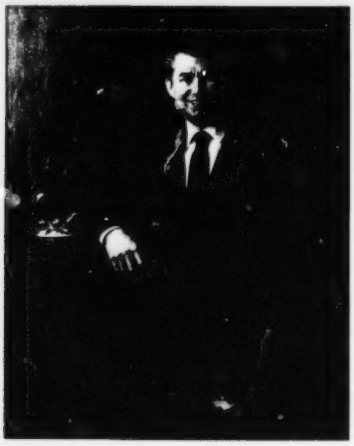
I have the honour to submit herewith the annual report of SaskAuto for the year ended December 31, 1988, including the financial statements in the form required by the Treasury Board and in accordance with the Automobile Accident Insurance Act.

I have the honour to be, Madam,

Your obedient Servant,

Graham Taylor
Minister-in-Charge
of SaskAuto

PRESIDENT'S MESSAGE



The past year has been a pivotal and exciting one for our organization, one that reflects well on our performance and points the way to an even more successful future.

A review of 1988 illustrates our accomplishments: we have realized a small operating surplus of $608,000 after a $28.7 million loss in 1987. More importantly, we have been successful by containing rising claims costs, improving services to all SaskAuto customers, including the promotion of important traffic safety programs, and increasing the efficiency of our operations.

1988 also saw an important, five-year seat belt campaign come to fruition. Thanks to a province-wide awareness effort, seat belt usage in Saskatchewan climbed dramatically in 1988, reducing the chances of injury and death from traffic accidents on our roads. Preventing the human suffering of traffic accidents is some of SaskAuto's most important work.

We intend to keep building on our successes. In 1988, plans materialized to change the status of the Auto Fund to a Crown corporation. Our new name, SaskAuto, was chosen to reflect the government's continued strong commitment to government-owned and controlled auto insurance in Saskatchewan.

Legislation to implement these changes will be brought forward in 1989. Although the legal structure of the new corporation will change, for the public and staff it will mean business as usual: all services, like vehicle insurance and driver renewals, traffic safety programming, driver examinations and of course, claims service, will continue as before.

The structural changes announced by the government in July will result in SaskAuto holding 40 per cent ownership in SGI, which will be renamed Saskatchewan General Insurance. SaskAuto's portion of future dividends from SGI will flow into SaskAuto's reserve, making it stronger and keeping rates low for all Saskatchewan people.

1988 demonstrated the value and strength of SaskAuto in providing vital services to Saskatchewan. I'm proud of the results achieved and of the staff who have worked hard towards our goal of service excellence.

Alex Wilde

Alex Wilde
President

Saskatchewan
NFN 160

COMMITMENT TO CUSTOMERS

Since 1946, when the Automobile Accident Insurance Act (AAIA) became law, the Saskatchewan government has provided Saskatchewan people with solid, basic auto insurance at affordable rates.

Today, that commitment is stronger than ever. SaskAuto provides security for approximately 650,000 drivers and 850,000 vehicles in Saskatchewan. The most extensive drivers' licence and auto plate distribution system in Canada enables SaskAuto to offer our customers convenient, friendly service in their own neighbourhood. SaskAuto delivers its services through:

More than 500 licence issuers in over 370 Saskatchewan communities

Motor Vehicle Division (MVD) offices in Swift Current, Regina, Saskatoon, Prince Albert, North Battleford, Moose Jaw and Estevan

12 driver examination offices serving 80 locations in the province

16 claims centres in 13 Saskatchewan towns and cities

Convenient Dial-a-Claim service

In July, 1988, SaskAuto began one-stop registration for Saskatchewan-based commercial truckers wishing to operate in other Canadian jurisdictions. The single application for vehicle registration (SAVR) program was welcomed by vehicle owners and operators in the commercial transport industry.

SaskAuto took steps in 1988 to simplify private passenger registration forms and streamline business procedures. Soaring claims costs were addressed and a modest rate increase was introduced. These steps enabled SaskAuto to continue serving the basic needs of Saskatchewan motorists promptly and efficiently.

Being responsive to customer needs, large and small, helps SaskAuto define its programs to suit the people it serves. Regular customer surveys and customer comment cards are just two of the ways SaskAuto stays in touch with its customers. In 1988, MVD staff on SaskAuto's Inquiry Line responded to more than 400,000 questions from the public and issuers.

Customer satisfaction is not an empty phrase to the people at SaskAuto. Surveys reveal that 84 per cent of Saskatchewan residents are satisfied with our service. This high measure of success is gratifying, and has become a target to be surpassed.

SASKAUTO MEANS COMPREHENSIVE SERVICES

SaskAuto service is many things: it is your Dial-a-Claim adjuster who helps you through your claim; it is the people who process your vehicle and driver renewals; it is driver examiners, and the many behind-the-scenes people who research and design traffic safety programs.

Your Vehicle
Insurance
Your Vehicle
Insurance

Along with its mandate to provide universal, basic auto insurance at affordable prices, SaskAuto is responsible for developing vehicle equipment standards and overseeing vehicle inspection programs.

In a constant effort to improve traffic safety, SaskAuto coordinates research and development for traffic safety programs. It also provides consultative and financial support to private sector agencies delivering such programs.

Ensuring a high standard of driver performance is a part of SaskAuto, too. Driver testing, regulatory requirements such as medical examinations, and driver counselling all contribute to improved traffic safety in Saskatchewan.

Support for private issuers is an important element of SaskAuto service. Hundreds of issuers and their staff benefited from SaskAuto training seminars in 1988. In November, the newly-formed Issuer Advisory Council, which promotes the exchange of ideas and information between issuers and SaskAuto management, held its first meeting.

Claims service is the true test of any insurance company, as it is with SaskAuto. Our staff of well-trained, professional adjusters in 16 centres help deliver first-rate service to Saskatchewan motorists. Our excellent claims service stems from such things as specialized training, automated systems and efficient new claims centres built in 1986 and 1987. All of these elements enable SaskAuto to adjust claims faster and serve customers better.

FINANCIAL OVERVIEW : IMPROVED RESULTS

SaskAuto operates on a break-even basis over time. Surpluses and deficits accumulate in the Rate Stabilization Reserve, which exists to help maintain stability of rates as claims costs fluctuate.

Growth in revenues, claims cost control measures and restraint on expenses contributed to an operating surplus of $608,000, a significant improvement over 1987's $28.7 million loss.

Intensive safety awareness programs, a moderate increase in rates, careful attention to cost efficiencies, and thorough investigative procedures, especially on bodily injury liability claims, were major contributors to this improved performance.

ACCORD

BODILY INJURY LIABILITY CLAIMS COSTS STABILIZE

With almost 40 per cent of every claims dollar going towards bodily injury liability claims, managing such claims is critical to the success of SaskAuto.

Bodily injury liability claims costs have soared in recent years. Changes in the legal environment, making it easier to recover damages, and allowing for payment of interest on claims awards, contributed to higher claims payments.

The rising costs of injury claims is a national problem. In 1988, SaskAuto was significantly more successful than most other insurance companies at containing the rising trend. In 1988, bodily injury liability claims costs stabilized at a level somewhat lower than the high experienced in 1987. The number of bodily injury liability claims dropped in 1988 as well, slowing a trend that saw the number of these claims jump 60 per cent from 1984 to 1987.

SaskAuto's success is largely due to an increased concentration on injury claims. By reorganizing staff, controlling administration costs, responding to claims as early as possible, and carefully assessing the value of each claim, SaskAuto managed these difficult claims successfully in 1988.

RATES REMAIN REASONABLE

Escalating liability claims costs and a reduced revenue base from the 7.5 per cent rate rollback ordered in 1985 by the Public Utilities Review Commission (PURC) resulted in a bleak financial picture for SaskAuto at the end of 1987. The rate increase implemented in January, 1988 helped rectify this situation.

This rate increase was the first that Saskatchewan drivers had seen in five years. Since 1983, the cost of insurance has increased an average of less than one per cent a year, even with the 1988 increase. SaskAuto rates are arguably the best in North America, thanks to an efficient delivery system and low administration costs.

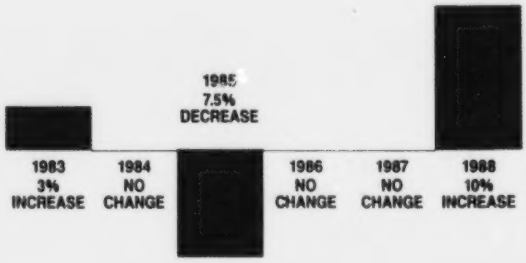
"High risk" drivers continue to assume more of the costs they bring to SaskAuto. Surcharges and rating units (assessed for traffic convictions) both increased significantly in 1988.

SaskAuto believes that all drivers should be treated as safe drivers until their driving record proves otherwise. Vehicle rates for collision coverage are set using a method called "risk-based rating," which calculates rates based on the cost of claims and repairs of each make and model of vehicle.

Unlike most other provinces, Saskatchewan does **not** use age, sex, or marital status to set rates. Saskatchewan was the first province to adopt this fair system of rate-making, and nearly all provinces are now taking action to make it a requirement.

As a vehicle ages and its market value depreciates, it unfortunately does not become cheaper to repair. And as the cost of collision repairs and bodily injury liability claims rises, so do premiums, even on older vehicles. Although an older vehicle may not have a high dollar value, bodily injury liability claims costs are just as high for older vehicles as for newer ones.

SASKAUTO RATE CHANGES 1983–1988



SASKAUTO IS EFFICIENT

Offering excellent service efficiently is the measure of a good business. SaskAuto continued to improve the efficiency of its operations in 1988.

Both customers and SaskAuto benefit from the revised vehicle registration form. One of the most frequently used forms, it was simplified and condensed, saving time for both customers and SaskAuto.

An automated system introduced in 1988 enables SaskAuto to monitor driving records more efficiently. This ensures high risk drivers are identified and dealt with quickly.

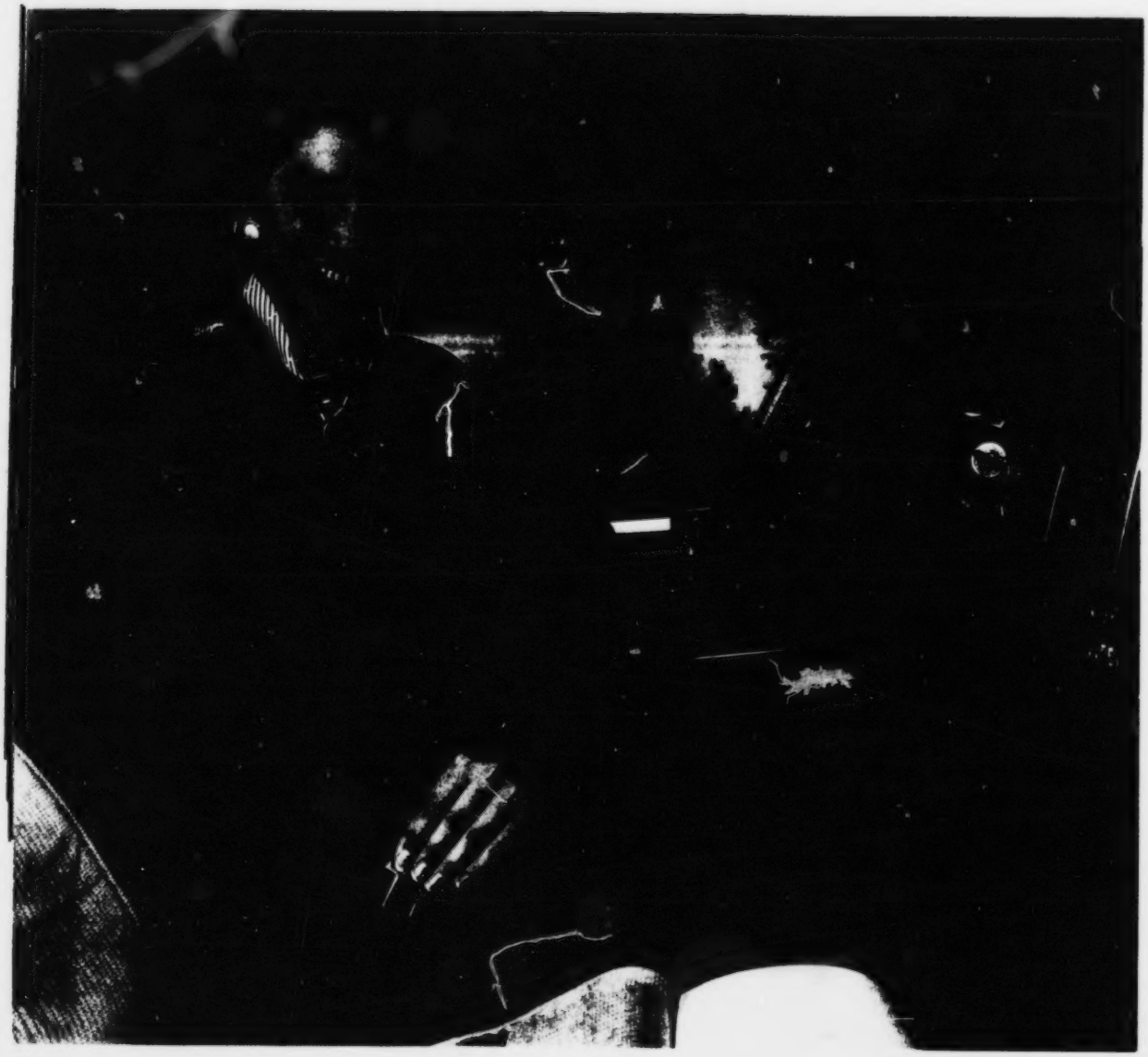
SaskAuto took many steps to streamline its operating procedures and systems. An innovative project management system, begun in 1988, is a valuable tool for cutting project development time and improving the results of major projects.

SALVAGE SUPPORTS SASKAUTO

The salvage division annually sells over 100,000 recycled auto parts obtained from "total loss" vehicles processed through SaskAuto. Profits from the sale of recycled parts help stabilize auto insurance rates.

In 1988, the salvage division contributed more than $2 million to the Rate Stabilization Reserve. Outstanding efforts by the people working in salvage resulted in increased productivity and enhanced service to its customers.

Salvage serves the public and automotive repair industry through five branches and toll free Dial-a-Part numbers. Construction is under way on a new salvage branch in Saskatoon.



Commitment To Traffic Safety

SaskAuto knows that accident prevention is its best means of protecting our province's most valuable resource—people. In 1988, SaskAuto strengthened its commitment to accident prevention with intensified traffic safety programs.

The results are encouraging. Saskatchewan drivers are travelling an average of two to three per cent more every year, yet the number of people killed and injured in traffic accidents is coming down. In 1988, the number of people who died in traffic accidents dropped 15 per cent.

Safety Awareness

Research shows that your chances of being injured or killed in a traffic accident are reduced by up to 50 per cent when both lap and shoulder belts are used correctly. SaskAuto works hard to get that message across.

SaskAuto launched a comprehensive, five-year seat belt awareness campaign in April. A province-wide team effort with government departments, law enforcement agencies and the Saskatchewan Safety Council, the campaign combines advertising, education and enforcement to tell people that seat belts save lives.

SASKATCHEWAN SEAT BELT USAGE RATES FOR DRIVERS

SOURCE: TRANSPORT CANADA

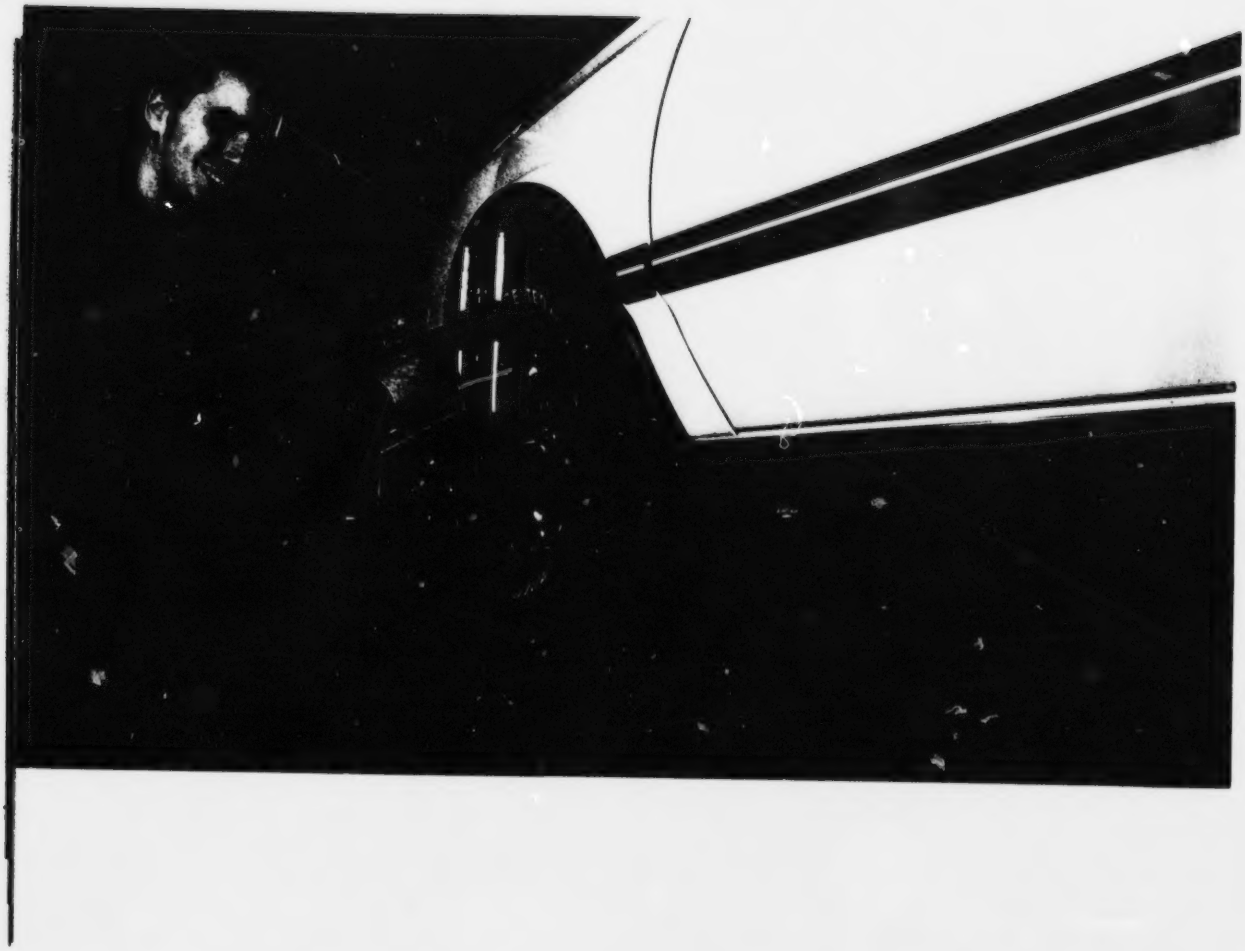
PERCENTAGE OF DRIVERS WHO USED SEAT BELTS

Saskatchewan people are taking the message to "buckle up" seriously. The enormous accomplishment of seat belt usage climbing from approximately 60 per cent in 1986 to more than 80 per cent in 1988 is a credit to everyone dedicated to driver and passenger safety.

In the fall, SaskAuto kicked off a multi-media promotion using the theme: "Drive For Life...Safety Is No Accident." Advertisements on billboards, radio, television, newspapers and various other publications recommended the use of three distinctive safety features: seat belts, daytime running lights (DRLs) and centre high mounted stop lights (CHMSLs).

Driving with headlights on during the day reduces the risk of a multi-vehicle accident. In 1988, results of a two-year analysis in Saskatchewan of the use of DRLs by 4,000 vehicles were obtained. The study, commissioned by SaskAuto, found a **25 per cent** reduction in the number of accidents most affected by DRLs: daytime, multiple-vehicle head-on or angular collisions.

A CHMSL installed in your vehicle's rear window reduces the risk of a rear-end collision by up to 50 per cent.



Financial Support for Safety Programming

As part of its efforts to make Saskatchewan's roads and highways even safer, SaskAuto provides financial support each year to organizations that offer effective traffic safety programs.

The Saskatchewan Safety Council (SSC) is the regular recipient of a large operating grant from SaskAuto which enables it to deliver programs for professional driver improvement, winter survival, motorcyclists, defensive driving, and school bus driving. In 1988, the SSC received an additional $100,000 from SaskAuto to expand its "Buckle Up Baby" program, develop public service announcements, promote community-based programs, and help Saskatchewan businesses promote seat belt use among employees. The SSC also administers the very successful Students Against Drinking and Driving (SADD) program, with financial assistance from SaskAuto.

SaskAuto also helped fund the Traffic Injury Research Foundation in Ottawa, the Saskatchewan Trucking Association, and the Professional Drivers' Safety Council.

Vehicle Safety Services

Setting standards for the safe operation of your vehicle is an important function of SaskAuto's traffic safety program. In January, 1988 a comprehensive set of vehicle regulations, designed to improve vehicle safety, came into effect.

Concern for public safety prompted SaskAuto to introduce a "total loss" vehicle inspection program in 1988. Newer vehicles with unibody construction require sophisticated technology to ensure that structural integrity is maintained when the vehicle is repaired. Improper repairs can seriously impair the ability of unibody constructed vehicles to withstand another crash. SaskAuto's inspection program requires that vehicles declared to be a "total loss" through the claims process undergo a safety inspection. The new program is designed to improve the safety of vehicles sold through SaskAuto salvage or retained by customers through the claims process.

SaskAuto is currently taking part in a Transport Canada pilot project to analyze the safety of school buses equipped with rear-facing seats and seat belts.

Responsibility for Financial Statements

The financial statements of the Saskatchewan Auto Fund have been prepared by the management of Saskatchewan Government Insurance as administrator of the Fund in conformity with accounting principles generally accepted in Canada. The financial statements have been examined and approved by the Board of Directors of Saskatchewan Government Insurance. The independent auditors have performed an audit of the corporation which has enabled them to express their opinion on the financial statements of the Saskatchewan Auto Fund. This opinion is shown on page 17.

Preparation of financial information is an integral part of management's broader responsibilities for the ongoing operations of the Saskatchewan Auto Fund. Management maintains an extensive system of internal accounting controls to ensure that transactions are accurately recorded on a timely basis, are properly approved and result in reliable financial statements. The adequacy and operation of the control systems are monitored on an ongoing basis by an internal audit department.

An Audit Committee, composed of members of the Board of Directors of Saskatchewan Government Insurance, administrator of the Fund, meets periodically with financial officers of the corporation and the external auditors. The independent auditors have free access to this Committee, without management present, to discuss the results of their audit work and their opinion on the adequacy of internal financial controls and the quality of financial reporting.

L. Jill Hilsden

L. Jill Hilsden
Vice-President
Finance
Saskatchewan Government Insurance
as Administrator of the Saskatchewan Auto Fund

AUDITOR'S REPORT

February 24, 1989

To the Members of the Legislative Assembly
Province of Saskatchewan:

We have examined the statement of financial position of the Saskatchewan Auto Fund as at December 31, 1988 and the statements of operations and rate stabilization reserve and changes in financial position for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Fund as at December 31, 1988 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Coopers & Lybrand

Chartered Accountants
Regina, Saskatchewan

STATEMENT OF FINANCIAL POSITION

December 31	1988	1987
	(Thousands of $)	
Assets		
Cash and Investments Maturing Within One Year	$ 66,717	$ 50,813
Accounts Receivable	11,685	12,862
Deferred Policy Aquisition Costs	4,498	5,241
Prepaid Expenses and Inventories	1,884	1,482
Long-Term Investments (Note 3)	246,145	226,617
Net Investment in Capital Lease (Note 4)	8,847	8,949
Property and Equipment (Note 5)	21,003	21,267
	$360,779	$327,231
Liabilities		
Accounts Payable and Accrued Charges	$ 6,854	$ 5,085
Premium Taxes Payable	9,164	8,109
Provision for Unpaid Claims (Note 6)	244,543	215,111
Unearned Premiums	96,533	95,849
	357,094	324,154
Rate Stabilization Reserve	3,685	3,077
	$360,779	$327,231

(See accompanying notes)

STATEMENT OF OPERATIONS AND RATE STABILIZATION RESERVE

Year Ended December 31	1988	1987
	(Thousands of $)	
Premiums Written	$229,091	$202,369
Premiums Earned	$227,103	$198,812
Investment Earnings (Note 7)	31,022	34,939
Other Income (Note 8)	2,397	2,031
Total Revenue	260,522	235,782
Claims Incurred	224,101	229,838
Issuer Fees	4,850	4,034
Premium Taxes	9,088	7,968
Administrative Expenses	21,875	22,657
Total Claims and Expenses	259,914	264,497
Net Increase (Decrease) to Rate Stabilization Reserve	608	(28,715)
Rate Stabilization Reserve:		
Balance Beginning of Year	3,077	31,792
Balance End of Year	$ 3,685	$ 3,077

(See accompanying notes)

STATEMENT OF CHANGES IN FINANCIAL POSITION

Year Ended December 31	1988	1987
	(Thousands of $)	
Operating Activities		
Net Increase (Decrease) to Rate Stabilization Reserve	$ 608	$ (28,715)
Items Not Affecting Cash:		
Depreciation and Amortization	1,285	1,225
Realized Gains on Disposal of Investments and Property and Equipment	(494)	(6,982)
	1,399	(34,472)
(Increase) Decrease in Deferred Policy Acquisition Costs	743	(184)
(Increase) Decrease in Accounts Receivable	1,177	(844)
(Increase) Decrease in Prepaid Expenses and Inventories	(402)	62
Increase in Provision for Unpaid Claims	29,432	42,278
Increase in Unearned Premiums	684	2,767
Increase in Accounts Payable and Accrued Charges	1,769	440
Increase in Premium Taxes Payable	1,055	435
Cash Provided By Operating Activities	35,857	10,482
Investing Activities		
Long-Term Investments - Purchases	(84,245)	(152,818)
- Proceeds on Sale	65,258	124,385
Capital Lease Repayment	102	92
Property and Equipment - Purchases	(1,245)	(2,513)
- Proceeds on Disposal	177	235
Cash Used For Investing Activities	(19,953)	(30,619)
Increase (Decrease) in Cash and Investments Maturing Within One Year	15,904	(20,137)
Cash and Investments Maturing Within One Year:		
Balance Beginning of Year	50,813	70,950
Balance End of Year	$ 66,717	$ 50,813

(See accompanying notes)

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1988

1. SIGNIFICANT ACCOUNTING POLICIES

The Fund's accounting policies are in accordance with generally accepted accounting principles. The following are considered to be significant:

Premiums

Effective January 1, 1988, premiums in the amount of $25 per insurance policy are earned immediately for all vehicle policies with a post 1987 effective date. This was required as a result of an Automobile Accident Insurance Act amendment regulation which provides for a $25 policy cancellation fee.

Subject to the aforementioned, premiums written are taken into income over the terms of the related policies. Premiums not yet taken into income represent the portion of the policy premiums relating to the unexpired term of each policy.

Deferred Policy Acquisition Costs

Premium taxes are deferred and then charged to expense on the same basis as premiums written are taken into income. Issuer fees for vehicle transactions are deferred and then charged to expense over the terms of the insurance policies to which such costs relate.

Investments

Bonds, debentures and mortgages are recorded at amortized cost. Shares are recorded at cost.

Investment Earnings

Interest is recorded as income on the accrual basis. Dividends are recorded as income on the record date. Gains and losses realized on the diposal of investments are recognized in income on the date of sale.

Provision for Unpaid Claims

The provision for unpaid claims includes the estimated cost to the Fund of reported claims, an estimate based on the claims settlement experience of the Fund of the cost of claims incurred but not reported and an estimate of adjustment expenses to be incurred on the settlement of these claims.

Long-term disability entitlements are recorded on a discounted basis to take account of the time value of money.

Capital Lease

Investment earnings related to the direct financing lease are recognized in a manner that produces a constant rate of return on the investment in the lease. The net investment in the lease is composed of net minimum lease payments less unearned finance income.

Property and Equipment
Fixed assets are recorded at cost less accumulated depreciation. Depreciation is recorded on a straight-line basis, commencing in the year in which the assets are placed in service, over the estimated useful lives of the fixed assets as follows:

Buildings	2½–10%
Equipment	20%

Foreign Currency Translation
Share investments, revenues and expenses are translated at the exchange rate in effect at the transaction date.

Administrative and Claims Adjusting Expenses
Saskatchewan Government Insurance (SGI) as administrator of the Saskatchewan Auto Fund provides certain services to both the Fund and SGI. The administrative and claims adjusting expenses relating to these services are charged to the Fund and SGI on the basis of specific allocations.

Direct administrative expenses are charged directly to the Fund's operations.

2. STATUS OF THE FUND

The Saskatchewan Auto Fund was established effective January 1, 1984 by an amendment to the Automobile Accident Insurance Act (Chapter A-35, Revised Statutes of Saskatchewan 1978).

The accumulated earnings of the Saskatchewan Auto Fund in the Rate Stabilization Reserve are for the future benefit of Saskatchewan's motoring public and cannot be used for the payment of general dividends.

3. LONG-TERM INVESTMENTS

The components of the Fund's long-term investments are as follows:

	(Thousands of $)			
	1988		1987	
	Book Value	Market Value	Book Value	Market Value
Bonds and Debentures	$194,020	$193,864	$169,828	$170,631
Mortgages	14,127	14,316	14,884	15,150
Shares and Convertible Bonds	37,998	38,247	41,905	38,394
Total Long-Term Investments	$246,145	$246,427	$226,617	$224,175

4. NET INVESTMENT IN CAPITAL LEASE

The Fund, as lessor, has a 63 percent interest in a lease agreement with a Government department for a term of thirty years (twenty-two years remaining) on property in Prince Albert, Saskatchewan. The lease transferred substantially all of the benefits and risks incident with the ownership of the property to the lessee.

The Fund's net investment in capital lease includes the following:

	(Thousands of $)	
	1988	1987
Total Minimum Lease Payments Receivable ($995,000 per year)	$22,133	$23,128
Unearned Income	(13,286)	(14,179)
Net Investment in Capital Lease	$ 8,847	$ 8,949

5. PROPERTY AND EQUIPMENT

The components of the Fund's investment in property and equipment, as well as the related accumulated depreciation, are as follows:

	(Thousands of $)			
	1988			1987
	Cost	Accum. Depr.	Net Book Value	Net Book Value
Land and Improvements	$ 3,727	$ –	$ 3,727	$ 3,120
Buildings	19,138	4,135	15,003	15,224
Equipment	6,356	4,083	2,273	2,923
Total	$29,221	$8,218	$21,003	$21,267

6. DISCOUNTED CLAIMS RESERVES

Included in the provision for unpaid claims are discounted reserves for long-term disability entitlements in the amount of $12,440,000 (1987–$11,358,000). These reserves have been discounted at 7% to take account of the time value of money.

7. INVESTMENT EARNINGS

The components of investment earnings are as follows:

	(Thousands of $)	
	1988	1987
Interest and Dividends	$29,762	$27,221
Realized Gains on Sale of Investments	367	6,815
Income from Capital Lease	893	903
Total Investment Earnings	$31,022	$34,939

8. SALVAGE DIVISION

The Fund operates a salvage division in order to maximize the derived economic value of salvageable vehicles, vehicle parts and materials available through the claims settlement process. In 1988, total salvage sales were $12,027,000 (1987–$12,899,000); gross earnings on sales were $4,717,000 (1987–$4,400,000); and net earnings were $2,313,000 (1987–$1,890,000). The net earnings of the salvage division are included in other income.

9. RELATED-PARTY TRANSACTIONS

Included in these financial statements are income and expense amounts resulting from routine operating transactions conducted at prevailing market prices with various Saskatchewan Crown-controlled departments, agencies and corporations with which the Fund is related.

Account balances resulting from these transactions are included in the Statement of Financial Position, and are settled on normal trade terms.